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526 S. Church St.  
Charlotte, N.C. 28202

Phillip O. Stillman, General Manager

Duke Energy Carolinas  
EC06E / P.O. Box 1006  
Charlotte, N.C. 28201-1006

704 382-8070

704 382-7939 fax

November 27, 2012

Jocelyn Boyd  
Chief Clerk and Administrator  
Public Service Commission of South Carolina  
Post Office Drawer 11649  
101 Executive Center Drive, Suite 100  
Columbia, South Carolina 29211

Dear Ms. Jocelyn Boyd:

Enclosed is the quarterly report of Duke Energy Carolinas, LLC  
for the twelve months ending September 30, 2012. Please feel free  
to call me at (704) 382-8070.

Sincerely,

Phillip O. Stillman  
Regulatory Accounting and Planning

Enclosure

cc: Mr. Dukes Scott  
Executive Director  
Office of Regulatory Staff

Mr. John Flitter  
Director, Electric & Gas Regulation  
Office of Regulatory Staff

CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, Clark S. Gillespy, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

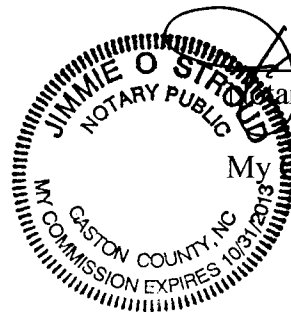
Clark S. Gillespy  
Signature of President

Clark S. Gillespy  
Typed or Printed Name of Person Signing

State President, Duke Energy South Carolina  
Title

November 19, 2012  
Date Signed

Subscribed and sworn to before me this 19 day of November, 2012.



Jimmie O. Stroud  
Notary Public

My Commission Expires: October 31, 2013

CERTIFICATION

(Certification must be signed by the Chief Executive Officer and the Chief Financial Officer)

I, James D. Wiles, state and attest, under penalty of perjury, that the attached South Carolina Quarterly Report is filed on behalf of Duke Energy Carolinas, LLC, as required by the Public Service Commission of South Carolina; that I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

James D. Wiles  
Signature of Person Making Verification

James D. Wiles  
Typed or Printed Name of Person Signing

Director Regulated Accounting  
Title

November 26, 2012  
Date Signed

Subscribed and sworn to before me this 26 day of November, 2012.

Kim V. Beal  
Notary Public

My Commission Expires: October 24, 2014

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjs (a) (Col. 3)	As Adjusted (Col. 4)
1	Electric Operating Revenue	\$ 6,526,835	23.5385%	\$ 1,536,319	\$ 29,762	\$ 1,566,081
2	Electric Operating Expenses:					
3	Operation and Maintenance:					
4	Fuel Used in Electric Generation	1,436,775	25.4388%	365,499	(1,107)	364,392
5	Purchased Power and Net Interchange	347,888	25.5318%	88,822	(222)	88,600
6	Wages, Benefits, Materials, etc.	1,808,147	24.0484%	434,831	19,728	454,559
7	Depreciation and Amortization	890,102	24.0294%	213,886	34,111	247,997
8	General Taxes	356,123	20.0807%	71,512	8,257	79,769
9	Interest on Customer Deposits	6,294	11.4554%	721	(1)	720
10	Income Taxes	524,232	20.9040%	109,585	(14,896)	94,689
11	Amortization of Investment Tax Credit	(7,106)	23.5153%	(1,671)	5	(1,666)
12	Total Electric Operating Expenses	5,362,455	23.9291%	1,283,185	45,875	1,329,060
13	Operating Income	\$ 1,164,380	21.7398%	\$ 253,134	\$ (16,113)	\$ 237,021
14	Add: Customer Growth Adjustment				651	651
15	Income for Return			\$ 253,134	\$ (15,462)	\$ 237,672
16	Original Cost Rate Base (b)			\$ 3,802,394	\$ (6,433)	\$ 3,795,961
17	Rate of Return on South Carolina Retail Rate Base			6.66%		6.26%

Notes: (a) From Page 3, "Total Adjustments" line.

(b) From Page 4, Line 12.

Line No.	Description	South Carolina Retail												
		Total Company Capitalization				Per Book			Pro Forma					
		September 30, 2012		Ratio (Col. 2)	Retail Rate Base (Col. 3)	Embedded Return % (Col. 4)	Operating Income (Col. 5)	Retail Rate Base (Col. 6)	Cost/ Return % (Col. 7)	Operating Income (Col. 8)				
		Amount (Col. 1)												
1	Long-Term Debt	\$	8,738,895	46.73%	\$	1,776,859	5.28%	\$	93,818	\$	1,773,853	5.28%	\$	93,659
2	Preferred Stock		-	0.00%		-	0.00%		-		-	0.00%		-
3	Members' Equity		9,960,160	53.27%		2,025,535	7.87%		159,316		2,022,108	7.12%		144,013
4	Total	\$	18,699,055	100.00%	\$	3,802,394 (a)		\$	253,134 (b)	\$	3,795,961 (c)	(e) (f) (g)	\$	237,672 (d)

Notes: (a) From Page 4, Line 12, Column 2.

(b) From Page 1, Line 15, Column 2.

(c) From Page 4, Line 12, Column 4.

(d) From Page 1, Line 15, Column 4.

(e) If adjusted for weather, this rate would be 7.73%.

(f) Includes pre-tax non-firm wholesale sales profits for the total system of approximately \$1 million for the 12 months ended 09/30/12.  
Net of tax South Carolina Retail allocation of profits amounts to approximately \$0 million.

(g) Includes net of tax Progress merger costs to achieve of approximately \$15 million.

Line No.	Description	Electric Operating Revenue (Col. 1)	Fuel Used in Electric Generation (Col. 2)	Purchased Power and Net Interchange (Col. 3)	Wages Benefits Materials Etc. (Col. 4)	Depreciation and Amortization (Col. 5)	General Taxes (Col. 6)	Interest on Customer Deposits (Col. 7)	Income Taxes (Col. 8)	Amortization of ITC (Col. 9)	Net Operating Income (Col. 10)
1	To Annualize Depreciation on Year-End Plant	\$ -	\$ -	\$ -	\$ -	1,973	\$ -	\$ -	(771)	\$ -	\$ (1,202)
2	To Annualize Wage Rate Increase	-	-	-	610	-	361	-	(379)	-	(592)
3	To Eliminate Voluntary Opportunity Plan and Office Consolidation Deferral	-	-	-	20,442	-	-	-	(7,984)	-	(12,458)
4	To Annualize Property Taxes on Year-End Plant	-	-	-	-	-	2,925	-	(1,142)	-	(1,783)
5	To Reflect CWIP Closings to Plant	-	-	-	-	26,545	5,063	-	(12,344)	-	(19,264)
6	To Adjust Income Taxes to Reflect Interest Synchronization	-	-	-	-	-	-	-	(2,898)	-	2,898
7	To Annualize Rate Case Increase	30,948	-	-	-	-	140	-	12,032	-	18,776
8	To Annualize Amortization of Deferral Balance Related to Cliffside Unit 5 Scrubber	-	-	-	-	1,928	-	-	(753)	-	(1,175)
9	To Annualize Operating Costs for Cliffside Unit 5 Scrubber	-	-	-	181	-	-	-	(71)	-	(110)
10	To Annualize Amortization of Voluntary Opportunity Plan Costs	-	-	-	-	2,621	-	-	(1,024)	-	(1,597)
11	To Annualize Amortization of Pension Settlement Costs	-	-	-	-	191	-	-	(75)	-	(116)
12	To Annualize Depreciation of Buck and Bridgewater Deferred Costs	-	-	-	-	1,534	-	-	(599)	-	(935)
13	To Exclude Greenwood Operations	(1,186)	(1,107)	(222)	(1,505)	(681)	(232)	(1)	1,112	5	1,445
14	Total Adjustments	\$ 29,762	\$ (1,107)	\$ (222)	\$ 19,728	\$ 34,111	\$ 8,257	\$ (1)	\$ (14,896)	\$ 5	\$ (16,113)

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Electric Plant in Service	\$ 29,477,598		\$ 6,761,602	\$ 830,892	\$ 7,592,494
2	Less: Accumulated Depreciation and Amortization	(13,178,380)		(2,943,178)	(28,518)	(2,971,696)
3	Net Electric Plant	16,299,218		3,818,424	802,374	4,620,798
4	Add: Materials and Supplies	1,005,656		245,979	(39,286)	206,693
5	Working Capital Investment	1,107,162		251,882	-	251,882
6	Plant Held for Future Use	4,440	25.2095%	1,119	-	1,119
7	Less: Accumulated Deferred Taxes	(4,356,071)	23.9454%	(1,043,079)	(122,234)	(1,165,313)
8	Operating Reserves	(230,111)	37.7361%	(86,835)	-	(86,835)
9	Customer Deposits	(99,086)		(21,369)	-	(21,369)
10	Greenwood				(11,014)	(11,014)
11	Construction Work in Progress	2,901,734		636,273	(636,273)	-
12	Total Original Cost Rate Base	\$ 16,632,943		\$ 3,802,394	\$ (6,433)	\$ 3,795,961

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$ 15,237,223		\$ 3,341,983	\$ 718,285	\$ 4,060,268
2	Transmission	2,762,167	18.2718%	504,697	19,120	523,817
3	Distribution (b)	9,208,590	25.5644%	2,354,122	77,370	2,431,492
4	General	733,691	23.9689%	175,858	5,605	181,463
5	Intangible	451,669	23.5561%	106,396	10,512	116,908
6	Subtotal	28,393,340	22.8330%	6,483,056	830,892	7,313,948
7	Nuclear Fuel	1,084,258	25.6900%	278,546		278,546
8	Total Electric Plant in Service	\$ 29,477,598 (a)		\$ 6,761,602	\$ 830,892	\$ 7,592,494
		=====		=====	=====	=====

Notes: (a) Excludes asset retirement obligations, electric plant held for future use, electric plant acquisition adjustments, and other electric plant adjustments of (\$85,159) thousand; includes investment in Appendix J Progam Owners's Group (APOG) of \$1,452 thousand.  
(b) The accounting adjustment in Col. 3 reflects plant in service additions not related to customer growth.



Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$ 6,838,135		\$ 1,368,188	\$ 27,633	\$ 1,395,821
2	Transmission	1,214,729	18.2053%	221,144	809	221,953
3	Distribution	3,986,958		1,060,378	20	1,060,398
4	General	180,490	32.5885%	58,819	(279)	58,540
5	Intangible	338,735	22.3012%	75,542	335	75,877
6	Subtotal	12,559,047	22.1679%	2,784,071	28,518	2,812,589
7	Nuclear Fuel	619,333	25.6900%	159,107		159,107
8	Total Accumulated Depreciation and Amortization	\$ 13,178,380 (a)		\$ 2,943,178	\$ 28,518	\$ 2,971,696

The annual composite rates for computing depreciation (straight-line method) are shown below.

9	Steam Production Plant	3.76%
10	Steam Production Plant-Specific	14.73%
11	Nuclear Production Plant (Excl. Nuclear Decommissioning)	2.72%
12	Hydro Production Plant	1.87%
13	Combustion Turbine Production Plant	2.97%
14	Solar Production Plant	2.97%
	Transmission Plant:	
15	Right-of-Way	1.30%
16	Other	2.12%
17	Distribution Plant	2.22%
18	General Plant	Various
19	Land Rights	0.64% - 1.78%
20	Intangible Plant	20.00%

Note: (a) Excludes accumulated amortization of electric plant acquisition adjustment and accumulated depreciation related to asset retirement obligations totaling (\$19,431) thousand and reclassifies cost of removal and other deferred credits to increase accumulated depreciation by \$1,577,197 thousand.

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
		Per Books (Col. 2)		Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)	
Fuel Stock:						
1	Coal	\$ 448,316	25.6900%	\$ 115,173	\$ (39,286)	\$ 75,887
2	Oil	39,175	25.6900%	10,064	-	10,064
3	Total Fuel Stock	487,491	25.6901%	125,237	(39,286)	85,951
4	Other Electric Materials and Supplies & Stores Clearing	518,165	23.3018%	120,742	-	120,742
5	Total Materials and Supplies	\$ 1,005,656		\$ 245,979	\$ (39,286)	\$ 206,693
		=====		=====	=====	=====

Note: (a) Adjustment to per book coal inventory balance to reflect target inventory level.

Coal Inventory Target Level (in tons)	2,970		
Price per Ton - Coal	\$ 99.46		
	=====		
Total Company Pro Forma Inventory	\$ 295,396	25.6900%	75,887
	=====		
Per Book Coal Inventory			115,173
			-----
Coal Adjustment			\$ (39,286)
			=====

Line No.	Description	Total Company Per <u>Books</u> (Col. 1)	Allocation <u>Factors</u>	South Carolina Retail		
				<u>Per Books</u> (Col. 2)	<u>Accounting Adjustments</u> (Col. 3)	<u>As Adjusted</u> (Col. 4)
1	Twelve Months Operating and Maintenance Expenses, Exclusive of Purchased Power and Nuclear Fuel Expense	\$ 3,031,098		\$ 745,292	-	\$ 745,292
		=====		=====	=====	=====
2	1/8 of O&M Expenses on Line 1	\$ 378,887		\$ 93,161		\$ 93,161
3	Less: Average Taxes Accrued	(55,024)		(21,194)	-	(21,194)
4	Subtotal	323,863		71,967	-	71,967
5	Required Bank Balances	340	23.5041%	80	-	80
6	Bond Reacquisition Premiums	112,311	16.8692%	18,946	-	18,946
7	Pension Funding	650,799	24.0002%	156,193	-	156,193
8	Prepayments	19,849	23.6597%	4,696	-	4,696
9	Total Working Capital Investment	\$ 1,107,162		\$ 251,882	\$ -	\$ 251,882
		=====		=====	=====	=====

Line No.	Description	Total Company Per Books (Col. 1)	Allocation Factors	South Carolina Retail		
				Per Books (Col. 2)	Accounting Adjustments (Col. 3)	As Adjusted (Col. 4)
1	Production	\$ 3,776,826	23.6597%	\$ 893,586	\$ -	\$ 893,586
2	Transmission	185,085	18.2026%	33,690	-	33,690
3	Distribution	64,723	25.5644%	16,546	-	16,546
4	General	30,574	23.9689%	7,328	-	7,328
5	Intangible	326,324	23.5561%	76,869	-	76,869
6	Total Construction Work in Progress	\$ 4,383,532		\$ 1,028,019	\$ -	\$ 1,028,019
		=====		=====	=====	=====

Line

No. Description

Twelve Months Ended 30-Sep-2012

1	SEC Fixed Charges Coverage	3.74
2	Earnings per Share	\$3.17

Line No.	Description	Total Company (a)	Wholesale Jurisdiction (b)	% of Total (c)	N.C. Retail (d)	% of Total (e)	S.C. Retail (f)	% of Total (g)
<u>Operating Revenues (\$000s)</u>								
1	Residential	\$ 2,622,512			\$ 2,018,555	76.9703%	\$ 603,957	23.0297%
2	Commercial	2,140,738			1,692,834	79.0772%	447,903	20.9228%
3	Industrial	1,185,392			726,929	61.3239%	458,463	38.6761%
4	Public Street & Highway Lighting	42,449			36,096	85.0338%	6,353	14.9662%
5	Interdepartmental	-			-	0.0000%	-	0.0000%
6	Sales for Resale:							
7	Special Contract	314,519	\$ 302,664	96.2308%	10,426	3.3149%	1,429	0.4543%
8	Other	-	-	0.0000%	-	-	-	-
9	Joint Dispatch	8,242	\$ 516	6.2572%	5,630	68.3040%	2,097	25.4388%
10	Mitigation	8,195	\$ 8,195					
11	Total Revenue from Sales of Electricity	\$ 6,322,047	\$311,375	4.9248%	\$ 4,490,470	71.0287%	\$ 1,520,226	24.0464%
<u>Kilowatthour Sales (000s)</u>								
12	Residential	26,165,941			20,016,857	76.4997%	6,149,084	23.5003%
13	Commercial	27,413,012			21,795,314	79.5072%	5,617,699	20.4928%
14	Industrial	20,899,316			12,243,918	58.5853%	8,655,398	41.4147%
15	Public Street & Highway Lighting	288,705			247,223	85.6317%	41,482	14.3683%
16	Interdepartmental	-			-	0.0000%	-	0.0000%
17	Sales for Resale:							
18	Special Contract	5,141,818	4,948,010	96.2308%	170,446	3.3149%	23,359	0.4543%
19	Other	-	0	0.0000%	-	-	-	-
20	Joint Dispatch	229,281	14,346	6.2572%	156,608	68.3040%	58,326	25.4388%
21	Mitigation	318,192	318,192					
22	Total KWH Sales	80,456,265	5,280,549	6.5624%	54,630,365	67.9007%	20,545,349	25.5369%
<u>Revenue Per KWH Sold (Cents)</u>								
23	Residential	10.02			10.08		9.82	
24	Commercial	7.81			7.77		7.97	
25	Industrial	5.67			5.94		5.30	
26	Public Street & Highway Lighting	14.70			14.60		15.31	
27	Interdepartmental	0.00			0.00		0.00	
28	Sales for Resale:							
29	Special Contract	6.12	6.12		6.12		6.12	
30	Other	0.00	0.00		-		-	
31	Total Revenue per KWH Sold	7.86	5.90		8.22		7.40	